

# Ethics Resource Center

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**City of San Diego**

**Ethics Culture Survey  
Report:  
Recommendations**

*November 20, 2006*

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## City of San Diego

# Ethics Culture Survey Report Recommendations

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**City of San Diego**  
***Ethics Culture Survey Report***

**INTRODUCTION**

The Ethics Resource Center (ERC) is pleased to submit this report to the City of San Diego (CSD or the City). This part of the report presents recommendations for the City based on the findings from a September 2006 employee ethics culture survey designed and administered by ERC.

These recommendations are preliminary and general in nature, and can help guide the City in some areas as it develops and implements its ethics and compliance program.

**SURVEY HIGHLIGHTS AND RECOMMENDATIONS**

**Introductory note**

- Because the City's program is new, and at the time of the survey consisted of only two recently developed program elements, comparison of CSD data was made against the U.S. Average: Organizations without a Formal Program Subset (U.S. subset).
- No one survey instrument can provide a definitive or complete picture of an organization. The data and findings serve to identify areas on which the City could focus as it establishes its ethics and compliance program.

**Findings and Recommendations re: Expected Program Outcomes**

- CSD employees report having observed misconduct at levels higher than that of the 2005 U.S. Average, 41% compared to 26%. Compared to the U.S. Average: Organizations without a Formal Program Subset (U.S. subset), CSD's reporting rate of 41% negatively compares to 28%.
- Sixty-five percent of CSD employees report having seen at least one specific type of misconduct (of 20 asked about in the survey).
- The most prevalent type of specific misconduct is 'abusive or intimidating behavior,' seen by 38% of employees compared to 23% of the U.S. subset. The next most frequently reported type of misconduct is 'lying to employees.' The other types of misconduct, which one in five, or more, reported seeing, are 'e-mail and internet abuse,' 'goods or services that fail to meet standards,' 'misreporting of hours worked,' 'misuse of San Diego's services or property,' 'discrimination,' 'a conflict of interest,' and 'improper hiring practices.' Of these, a 'conflict of interest' is observed

at rates similar to the U.S. subset (20%). The least observed type of misconduct, at 3%, is 'price fixing or other anti-competitive behavior.'

No generalized pattern emerges concerning categorization of the types of misconduct observed and their prevalence. The most frequently observed type of misconduct, 'abusive or intimidating behavior,' is characterized as interpersonal. 'Lying to employees' could be characterized as interpersonal if it is done by a direct supervisor or a co-worker, but it could also be characterized as institutional if it were done by management. A third category of misconduct is based on self-interest. This includes a 'conflict of interest' and 'misreporting of actual time or hours worked.' The absence of any pattern in the most prevalent types of misconduct seems to indicate that there is no dominant factor influencing this outcome within CSD.

**Recommendation:** No one categorical type of misconduct appears consistently more than another. The recommendations are to conduct focus groups to better understand the details of the types of misconduct observed, and to use those findings to guide development of the ethics and compliance program training.

- Reporting of misconduct at CSD is lower than the U.S. subset, 45% versus 52%. The primary reason for not reporting is the belief that no corrective action would be taken; CSD at 78% compared to the U.S. subset at 60%. The other most cited reasons are that the employee feared retaliation, 63% compared to 48%, and the belief that the report could not be made anonymously, 59% compared to 41%. Concerning retaliation, perception does not match the actual outcome. The data show a divergence between those employees who did not report because of their perceived fear of retaliation, 63%, and the actual outcome for those who did report where 26% reported experiencing retaliation.

**Recommendation:** Conduct focus groups to gain insight into this discrepancy. Gather information about what processes the organization could implement that would reassure employees that their reports are being adequately responded to, that employees would not be retaliated against if they did report, and that their reports would be handled confidentially.

- The primary way to report misconduct was to one's direct supervisor at 81%; secondly, to a coworker/peer; and thirdly to other management. The least used ways of reporting were through the Hotline at 6%, to the OEI, and to HR. ERC has observed this pattern of reporting, primarily to individuals (e.g. a supervisor at 75%) and least through institutional structures (e.g. Hotlines), in other organizations.

**Recommendation:** Continue developing formal means for reporting and support as part of the implementation of the ethics and compliance program. In recognition of the fact that most reports are informally made

to supervisors, CSD would have an opportunity to better understand and manage reports of misconduct if there were a standardized process for supervisors to accept and handle reports of misconduct.

- Only 23% of respondents find the City's ethical policies and procedures very or somewhat helpful in guiding their decision concerning misconduct they observed. Forty-three percent said they had never referred to the ethical policies and procedures when deciding what to do about the incident of misconduct they observed. Eighty-five percent of respondents never sought help from CSD's Office of Ethics and Integrity in that situation. Additionally, 31% said they had never or only rarely sought advice from CSD's ethical policies and procedures or another CSD person or resource when faced with a situation where they were uncertain of the course of action to take.

**Recommendation:** CSD should re-publicize existing resources, and instruct employees on how to use the new resources when they are rolled out. Additionally, CSD should explore why employees are not using existing resources, or communicating with others, when facing ethical work issues, and use that knowledge to guide the development of new communication processes and channels.

- Over half of the employees who reported observed misconduct (52%) were dissatisfied or very dissatisfied with CSD's response to their report. This compares to 44% of the U.S. subset. Twenty percent of CSD employees were satisfied or very satisfied compared to 43% of the U.S. subset. Satisfaction with the reporting process has the potential to translate into broader satisfaction with the organization, and increased likelihood of reporting.

**Recommendation:** Continue collecting and managing reports of misconduct. Explore adding additional mechanisms that would increase satisfaction with the reporting process on top of those that presently exist to collect information and report action taken.

- CSD respondents who reported pressure to commit misconduct, cited top and middle management as the main sources of misconduct (32% each), followed by coworkers. However, CSD employees disproportionately identified sources outside of the City as their main source of pressure (14% compared to 5% of U.S. subset respondents).

**Recommendation:** CSD should further investigate specific sources of pressure outside CSD.

- CSD employees report feeling pressured ‘all the time’ at half the rates of the U.S. subset employees, 10% versus 19%. The majority of those who report feeling pressured, 46%, indicate that they feel the pressure periodically.

**Recommendation:** One avenue for investigation is whether pressure is linked to specific events that might explain its periodic nature and which, if addressed, could contribute to its reduction. Considering that no dominant pattern emerges in the types of misconduct observed, another possibility is that there is no single cause of the pressure. ERC recommends that any search for the causes of pressure recognize that many small causes might be found and that the search occur with that possibility in mind.

- The question on risk reveals that three-fifths of employees (59%) believe they face situations in their work that could lead to violations of CSD’s ethics policies or the law, compared to 34% of the U.S. subset respondents.
- Fifty-seven percent of respondents indicate that they are well prepared or very well prepared to handle situations that could lead to violations of CSD’s ethical policies or the law, compared to 72% of the U.S. subset respondents. Eighty-eight percent agree or strongly agree that they are confident in their ability to recognize ethical issues that may affect their work. The ability to recognize ethical issues is important, however 40% say they are very poorly prepared, poorly prepared or neither prepared nor unprepared. This uncertainty and doubt create the potential for misconduct as employees may attempt to behave ethically but unintentionally err due to a lack of knowledge or skills.

**Recommendation:** Continue with implementation of the ethics and compliance program, including ethics training, issuance of the Employee Code of Conduct handbook, and other efforts that communicate the policies and standards of conduct.

### **Findings and Recommendations re: Formal Program Elements**

- Seventy-five percent of employees respond that CSD has written standards of ethical workplace conduct, and 20% responded ‘don’t know.’ This indicates a lack of clarity about this program element. First, one in five employees does not know if there is a written code of ethical conduct, and those who believe there is a code (as described in the FSGO) are confusing it with other ethics documents issued by the City.

**Recommendation:** When the Employee Code of Conduct handbook is issued, make it a very significant event. Communicate that the handbook is a compendium of ethics-related rules, regulations, policies and procedures, and that it should be consulted when questions arise. Also,

reinforce OEI's availability to assist all employees with ethics-related issues.

- Training on the standards and procedures of the ethics and compliance program has just begun. Data collected in this survey is valuable for benchmarking.

**Recommendation:** When the next survey is conducted, expand the training section to include questions on effectiveness. Questions could be asked about types of training, methods of training, content, and applicability.

### **Findings and Recommendations re: Ethical Elements of Organizational Culture**

- Concerning ethics-related actions (ERAs), U.S. subset data show a narrower range in the responses than CSD across the different management levels and by co-workers with only one outlier. Between 69% and 85% of U.S. subset employees agree or strongly agree that the measured ERA takes place.

The results from CSD show a wider range in the responses to numerous questions about ERAs, meaning there is less consistency in employees' perceptions of different management levels across the organization. At the low end, 24% agree or strongly agree that top management 'keeps promises and commitments,' and at the high end 71% say that supervisors 'support them in following the standards of conduct.' Generally, CSD data range between 38% and 63% agreeing or strongly agreeing that the ERAs take place.

- A pattern emerges when comparing results across management levels. Top management is perceived as least likely to display the specific ERAs, direct supervisors most likely to display the specific ERAs, and middle management in between. For example, only 34% agree or strongly agree that top management 'sets a good example,' 42% believe that middle management 'sets a good example,' and 66% believe that supervisors 'set a good example.'
- In looking at the ERAs of top management exclusively, 59% of respondents believe that top management 'talks about the importance of workplace ethics,' however, only 24% believe top management 'keeps promises and commitments' and only 34% believe top management 'sets a good example.' ERC research has shown that of the following four ERAs, talking about ethics has the least effect on outcomes in comparison with the other three – 'setting a good example,' 'satisfaction with information provided,' and 'keeping promises and commitments.' This is a case where communication by top management is important, but it is more important for



management to ‘set a good example’ and ‘keep promises and commitments.’ Research supports the adage that ‘actions speak louder than words.’

**Recommendation:** Conduct further inquiry to understand why top management ERAs are consistently lower than those of mid-level managers and supervisors, especially as ERC measures associate the best outcomes with top management’s exhibiting ERAs.

- The final ERA, accountability, provides a sense of the consistency of fairness within the organization. Employees were asked if top managers, middle managers, and non-management employees are held accountable if they are caught violating the City’s ethical policies and procedures. Twenty-four percent agree or strongly agree that top management is held accountable, 30% believe middle management is held accountable, and 58% believe non-management employees are held accountable. Conversely, 43% disagree or strongly disagree that top management is held accountable, 35% middle management, and 24% non-management. The range of beliefs indicates that employees perceive a difference in how employees are treated at different management levels, and consequently indicate a perception of inequality in the organization.

**Recommendation:** CSD should examine results from the data it has and is collecting about misconduct and determine if there are differences in treatment of employees at various management levels. The goal is make clear that all employees are held equally accountable.